

EMPLOYEE DISCLOSURE REQUIREMENTS NOTICE

Governor's Executive Order 98-04 requires agencies to notify employees that they must report any benefit obtained from a state contract by a business in which the employee has a financial interest. The employee must report this benefit to the Director of the Department of Finance and Administration. The report is required by Arkansas Code Annotated § 19-11-706.

A state employee has a "financial interest" in a business if he/she:

- (a) Has received within the past year, or is presently or in the future entitled to receive, more than one thousand dollars (\$1,000) per year, as a result of ownership of any part of the business or any involvement in the business; or
- (b) Owns more than a five percent (5%) interest in the business; or
- (c) Holds a position in the business such as an officer, director, trustee, partner, employee, or the like, or holds any position of management.

Any employee who knows or should have known of such benefit and fails to report the benefit to the director is in breach of the ethical standards of Ark. Code Ann. § 19-11-706. In addition to existing civil and administrative remedies, Ark. Code Ann. § 19-11-712 allows the Director of the Department of Finance and Administration to impose, after notice and an opportunity for a hearing, any one or more of the following for failure of the employee to report:

- (a) **Oral or written warnings or reprimands;**
- (b) **Forfeiture of pay without suspension;**
- (c) **Suspension with or without pay for specified periods of time; and**
- (d) **Termination of employment.**

Pursuant to Arkansas Code Annotated § 19-11-702, any employee who shall knowingly fail to report such benefit to the director shall be guilty of a felony and upon conviction shall be fined in any sum not to exceed ten thousand dollars (\$10,000) or shall be imprisoned not less than one (1) nor more than five (5) years, or shall be punished by both.

I certify that I have received a copy of Ark Code Ann. §§ 19-11-706, 19-11-702 and 19-11-712 and this Notice. The Regulations promulgated to enforce Executive Order 98-04 contain additional information regarding this reporting requirement at Section 13, posted by the agency in a conspicuous place. I understand that it is my responsibility to comply with the requirement to report as explained in Ark. Code Ann. § 19-11-706, this Notice and the regulation.

Agency Name_____

Name of Employee (Please Print)_____

Social Security Number_____

Signature of Employee_____

Date_____

EMPLOYMENT RESTRICTIONS NOTICE

Governor's Executive Order 98-04 requires agencies to notify employees that Ark. Code Ann. § 19-11-709 restricts the employment of state employees under certain conditions, both during the time they are employed by the state and after they leave state employment, including:

- (1) employment of a current state employee involved in procurement by any party contracting with the state;
- (2) former employees from representing anyone other than the state under certain conditions in matters which the employee participated personally and substantially or which were within the former employee's official responsibility;
- (3) partners of a current or former state employee from representing anyone other than the state under certain conditions; and
- (4) selling to the state after termination of employment under certain conditions.

Any current or former state employee who violates any of these employment restrictions is in breach of the ethical standards of Ark. Code Ann. § 19-11-709. In addition to civil and administrative remedies, Ark. Code Ann. § 19-11-712 allows the Director of the Department of Finance and Administration to impose, after notice and an opportunity for a hearing, any one (1) or more of the following:

- (a) Oral or written warnings or reprimands;**
- (b) Forfeiture of pay without suspension;**
- (c) Suspension with or without pay for specified periods of time; and**
- (d) Termination of employment.**

Pursuant to Arkansas Code Annotated §19-11-702, any employee who shall knowingly violate any of these restrictions shall be guilty of a felony and upon conviction shall be fined in any sum not to exceed ten thousand dollars (\$10,000) or shall be imprisoned not less than one (1) nor more than five (5) years, or shall be punished by both.

I certify that I have received a copy of Ark. Code Ann. §§ 19-11-709, 19-11-702, and 19-11-712, and this Notice. The Regulations promulgated to enforce Executive Order 98-04 contain additional information regarding these employment restrictions at Section 14, which is posted by the agency in a conspicuous place. I understand that it is my responsibility to comply with the employment restrictions in Ark. Code Ann. § 19-11-709, this Notice, and the regulation.

Agency Name _____

Name of Employee (Please Print) _____

Social Security Number _____

Signature of Employee _____

Date _____

Governor's Executive Order 98-04
Requires Notice to Employees

The Governor's Executive Order requires state agencies to provide written notice to employees of certain requirements and restrictions as a condition of employment with the State of Arkansas. The following information is from the Arkansas Code Annotated §§ 19-11-702, 19-11-706, 19-11-709, and 19-11-712.

§ 19-11-702. Penalties.

Any employee or nonemployee who shall knowingly violate any of the provisions of this subchapter shall be guilty of a felony and upon conviction shall be fined in any sum not to exceed ten thousand dollars (\$10,000) or shall be imprisoned not less than one (1) nor more than five (5) years, or shall be punished by both.

§ 19-11-706. Employee disclosure requirements. (a) Disclosure of Benefit Received from Contract. Any employee who has or obtains any benefit from any state contract with a business in which the employee has a financial interest shall report such benefit to the Director of the Department of Finance and Administration. However, this section shall not apply to a contract with a business where the employee's interest in the business has been placed in a disclosed blind trust. (b) Failure to Disclose Benefit Received. Any employee who knows or should have known of such benefit and fails to report the benefit to the director is in breach of the ethical standards of this section.

§ 19-11-709. Restrictions on employment of present and former employees. (a) Contemporaneous Employment Prohibited. It shall be a breach of ethical standards for any employee who is involved in procurement to become or be, while such an employee, the employee of any party contracting with the state agency by which the employee is employed. (b) Restrictions on Former Employees in Matters Connected with Their Former Duties.

(1) Permanent Disqualification of Former Employee Personally Involved in a Particular Matter. It shall be a breach of ethical standards for any former employee knowingly to act as a principal or as an agent for anyone other than the state in connection with any:

- (A) Judicial or other proceeding, application, request for a ruling, or other determination;
- (B) Contract;
- (C) Claim; or
- (D) Charge or controversy in which the employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while an employee, where the state is a party or has a direct and substantial interest.

(2) One-Year Representation Restriction Regarding Matters for Which a Former Employee Was Officially Responsible. It shall be a breach of ethical standards for any former employee, within one (1) year after cessation of the former employee's official responsibility in connection with any:

- (A) Judicial or other proceeding, application, request for a ruling, or other determination;
- (B) Contract;
- (C) Claim; or
- (D) Charge or controversy

knowingly to act as a principal or as an agent for anyone other than the state in matters which were within the former employee's official responsibility, where the state is a party or has a direct or substantial interest.

(c) Disqualification of Partners.

(1) When Partner Is a State Employee. It shall be a breach of ethical standards for a person who is a partner of an employee knowingly to act as a principal or as an agent for anyone other than the state in connection with any:

- (A) Judicial or other proceeding, application, request for a ruling, or other determination;
- (B) Contract,
- (C) Claim; or
- (D) Charge or controversy

in which the employee either participates personally and substantially through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which is the subject of the employee's official responsibility, where the state is a party or has a direct and substantial interest.

(1) When a Partner Is a Former State Employee. It shall be a breach of ethical standards for a partner of a former employee knowingly to act as a principal or as an agent for anyone other than the state where such former employee is barred under subsection (b) of this section. (d)(1) Selling to State After Termination of Employment Is Prohibited. It shall be a breach of ethical standards for any former employee, unless the former employee's last annual salary did not exceed ten thousand five hundred dollars (\$10,500), to engage in selling or attempting to sell commodities or services to the state for one (1) year following the date employment ceased.

(2) The term "sell", as used in this subsection, means signing a bid, proposal, or contract, negotiating a contract, contacting any employee for the purpose of obtaining, negotiating, or discussing changes in specifications, price, cost allowances, or other terms of a contract, settling disputes concerning performance of a contract; or any other liaison activity with a view toward the ultimate consummation of a sale although the actual contract therefor is subsequently negotiated by another person. (e)(1) This section is not intended to preclude a former employee from accepting employment with private industry solely because his employer is a contractor with this state.

(2) This section is not intended to preclude an employee, a former employee, or a partner of an employee or former employee from filing an action as a taxpayer for alleged violations of this subchapter.

§ 19-11-712. Civil and administrative remedies against employees who breach ethical standards.

(a) Existing Remedies Not Impaired. Civil and administrative remedies against employees which are in existence on July 1, 1979, shall not be impaired.

(b) Supplemental Remedies. In addition to existing remedies for breach of the ethical standards of this subchapter, or regulations promulgated thereunder, the Director of the Department of Finance and Administration may impose any one (1) or more of the following:

- (1) Oral or written warnings or reprimands;
- (2) Forfeiture of pay without suspension;
- (3) Suspension with or without pay for specified periods of time; and
- (4) Termination of employment.

(c) Right to Recover from Employee Value Received in Breach of Ethical Standards. The value of anything received by an employee in breach of the ethical standards of this subchapter, or regulations promulgated thereunder, shall be recoverable by the state as provided in § 19-11-714, which refers to recovery of value transferred or received in breach of ethical standards.

(d) Due Process. Notice and an opportunity for a hearing shall be provided prior to imposition of any of the remedies set forth in subsection (b) of this section.

EMPLOYMENT OF FAMILY MEMBERS

Governors Executive Order 98-04 prohibits the hiring of spouses and immediate family members of members of the General Assembly, Constitutional Officers, and state employees without the prior written approval of the Chief Fiscal Officer of the State. Pursuant to Arkansas Code Annotated § 21-8-402(4), Immediate Family Member means an individual's spouse, children of that individual or his or her spouse, or brothers, sisters, or parents of the individual or his or her spouse. Arkansas Code Annotated § 21-8-304 prohibits public officials and state employees from using their positions to secure special privileges or exemptions for themselves or family members that are not available to others. Governor's Policy Directive No. 8 prohibits relatives from working in any capacity where one relative might supervise another.

Therefore, in order to avoid either a possible violation of A.C.A. § 21-8-304 and the above-referenced policies or the appearance of a conflict of interest, prior to the hiring of an immediate family member, documentation must be submitted to the Chief Fiscal Officer of the State certifying that customary hiring procedures were followed by the hiring official including, but not limited to, the requirement that the applicant meets the qualifications necessary to perform the duties of the position for which the applicant is being considered. The Chief Fiscal Officer of the State will review the certification and recommend approval or disapproval. Upon completion of the review process, the hiring official will be notified by the Chief Fiscal Officer.

Agency: Arkansas State Bank Department

Applicant's Name:

Social Security Number:

Name of Hiring Official:

Is the applicant related to the (a) applicant's supervisor or (b) applicant's hiring official? ☐ Yes ☐ No

If yes, then what is the relationship?

Applicant's Address:

Position Applicant Applied For:

Position No:

Pay Grade:

Annual Salary \$

I hereby certify that the above named applicant meets the education and experience qualifications (including knowledge, abilities, and skills) required to perform the duties of the position for which they are being considered.

Signature:

Bank Commissioner

(501) 324-9019

Phone Number

☐ **Approved**

☐ **Disapproved**

Chief Fiscal Officer of the State

Date

**EMPLOYEE DISCLOSURE
REQUIREMENTS**

In Compliance with Governor's Executive Order
98-04,
Arkansas Code Annotated § 19-11-706

Pursuant to Arkansas Code Annotated § 19-11-706, employees are required to disclose any benefit received from any state contract. Specifically:

- (a) Any employee who has or obtains any benefit from any state contract with a business in which the employee has a financial interest shall report such benefit to the Director of the Department of Finance and Administration. However, this section shall not apply to a contract with a business where the employee's interest in the business has been placed in a disclosed blind trust
- (b) Any employee who knows or should have known of such benefit and fails to report the benefit to the director is in breach of the ethical standards of this section.

The employee disclosure shall be made within 30 days after employee has actual or constructive notice of a benefit received or to be received. Such disclosure shall be made by completing Form F-7 and forwarding completed form to:

Director
Department of Finance and Administration
PO Box 3278
Little Rock, AR 72203-3278

Employee Name: _____

Agency Name/Division where employed: Arkansas State Bank Department

Name of Business Involved with State Contract: _____

Name of Governmental Body with which the business has a contract: _____

Dollar Amount and Nature of Contract: _____

Nature and extent of the benefit received or to be received: _____

Employee Signature

Date